

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF KENTUCKY  
AT LOUISVILLE

**FILED**  
VANESSA L. ARMSTRONG, CLERK  
OCT 26 2017

UNITED STATES OF AMERICA

U.S. DISTRICT COURT  
WEST'N. DIST. KENTUCKY

INFORMATION

v.

NO.

317-CR-147-JHM

**SYLVIA REBECCA SMITH**

18 U.S.C. § 981

18 U.S.C. § 982

18 U.S.C. § 1343

26 U.S.C. § 7206(1)

28 U.S.C. § 2461

The United States Attorney Charges:

COUNT 1  
(Wire Fraud)

1. Beginning in or about July 2013 and continuing until in or about April 2015, in the Western District of Kentucky, Jefferson County, Kentucky, the defendant, **SYLVIA REBECCA SMITH**, devised and intended to devise a scheme to defraud Market Finders Insurance Corporation ("Market Finders") and Market Finders Insurance Premium Budget Corp. ("Market Finders Premium Budget"), a subsidiary of Market Finders, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing the scheme, caused signs, signals, and sounds to be transmitted by means of wire communication in interstate commerce.

2. It was part of the scheme that **SYLVIA REBECCA SMITH**, while employed as the Chief Financial Officer at Market Finders, created fraudulent insurance financing contracts between Market Finders Insurance Premium Budget and existing insurance clients of PBS Insurance Underwriting Corp. ("PBS Insurance"), an S-Corporation acting as an insurance

brokerage for which her husband was the President and sole owner and **SYLVIA REBECCA SMITH** worked as a bookkeeper. **SYLVIA REBECCA SMITH** further generated fraudulent loan checks from Market Finders Premium Budget to PBS Insurance and in the course of the scheme embezzled almost \$2,000,000 from Market Finders Premium Budget and diverted it into the bank account of PBS Insurance.

3. It was further part of the scheme that **SYLVIA REBECCA SMITH** manipulated the records of Market Finders and Market Finders Premium Budget to make it appear that the fraudulent insurance financing contracts and subsequently generated loans were legitimate contracts and loans.

4. It was further part of the scheme that **SYLVIA REBECCA SMITH** used a portion of the fraudulent loan proceeds to make payments on the loans she falsely created from Market Finders Premium Budget. **SYLVIA REBECCA SMITH** also transferred a portion of the fraudulent loan proceeds from the bank account of PBS Insurance directly into her personal bank account. **SYLVIA REBECCA SMITH** made cash withdrawals from the fraudulent loan proceeds in her personal bank account and used the loan proceeds to pay for gambling activity.

5. It was further part of the scheme that the fraudulent loan proceeds were not reported as income on the joint U.S. Individual Tax Returns of **SYLVIA REBECCA SMITH** and her husband nor on the U.S. Income Tax Return for an S Corporation for PBS Insurance. When the scheme was discovered by Market Finders and brought to an end, a significant amount of the fraudulent loan checks generated from the fraudulent insurance financing contracts created by **SYLVIA REBECCA SMITH** had not yet been repaid and thus at that time, by means of such fraud, **SYLVIA REBECCA SMITH** had obtained funds to which she was not entitled totaling approximately \$674,093.

6. On or about October 24, 2014, in the Western District of Kentucky, Jefferson County, Kentucky, **SYLVIA REBECCA SMITH** caused check number 17316 to be generated from Market Finders' Branch Banking and Trust (BB&T) business account in the amount of \$92,667.10 and then subsequently deposited the BB&T check into a PBS Insurance business account, which deposit caused an interstate wire transaction to be initiated from BB&T's servers located in Kentucky to the Federal Reserve Bank's servers located in Missouri.

In violation of Title 18, United States Code, Section 1343.

COUNT 2  
(False Tax Return)

On or about October 13, 2014, in the Western District of Kentucky, Jefferson County, Kentucky, the defendant, **SYLVIA REBECCA SMITH**, did willfully make and subscribe a joint U.S. Individual Tax Return, for the calendar year 2013, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said income tax return she did not believe to be true and correct as to every material matter in that said return failed to report approximately \$258,504 in ordinary business income on Form 1040, Line 17, or elsewhere on the Form 1040, whereas, as she then and there well knew and believed such ordinary business income should have been properly included in the Form 1040 for 2013.

In violation of Title 26, United States Code, Section 7206(1).

COUNT 3  
(False Tax Return)

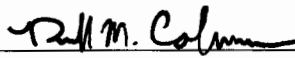
On or about June 23, 2015, in the Western District of Kentucky, Jefferson County, Kentucky, the defendant, **SYLVIA REBECCA SMITH**, did willfully make and subscribe a joint U.S. Individual Tax Return, for the calendar year 2014, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said income tax return she did not believe to be true and correct as to every material matter in that said return failed to report approximately \$514,696 in ordinary business income on Form 1040, Line 17, or elsewhere on the Form 1040, whereas, as she then and there well knew and believed such ordinary business income should have been properly included in the Form 1040 for 2014.

In violation of Title 26, United States Code, Section 7206(1).

NOTICE OF FORFEITURE

If convicted of any violation of Title 18, United States Code, Section 1343, **SYLVIA REBECCA SMITH**, the defendant, shall forfeit to the United States any property constituting or derived from any proceeds obtained, directly or indirectly, as the result of any such violation, including but not limited to approximately \$36,846.53.

Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461.

  
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RUSSELL M. COLEMAN  
UNITED STATES ATTORNEY

RMC:SMZ

UNITED STATES OF AMERICA v. SYLVIA REBECCA SMITH

**PENALTIES**

Count 1: NM 20 yrs./NM \$250,000/both/NM 3 yrs. Supervised Release  
Counts 2 -3: NM 3 yrs./NM \$250,000/NM 1 yr. Supervised Release (each count)  
Forfeiture Count

**NOTICE**

**ANY PERSON CONVICTED OF AN OFFENSE AGAINST THE UNITED STATES SHALL BE SUBJECT TO SPECIAL ASSESSMENTS, FINES, RESTITUTION & COSTS.**

**SPECIAL ASSESSMENTS**

18 U.S.C. § 3013 requires that a special assessment shall be imposed for each count of a conviction of offenses committed after November 11, 1984, as follows:

Misdemeanor:	\$ 25 per count/individual	Felony:	\$100 per count/individual
	\$125 per count/other		\$400 per count/other

**FINES**

In addition to any of the above assessments, you may also be sentenced to pay a fine. Such fine is due immediately unless the court issues an order requiring payment by a date certain or sets out an installment schedule. You shall provide the United States Attorney's Office with a current mailing address for the entire period that any part of the fine remains unpaid, or you may be held in contempt of court. 18 U.S.C. § 3571, 3572, 3611, 3612

**Failure to pay fine as ordered may subject you to the following:**

1. **INTEREST** and **PENALTIES** as applicable by law according to last date of offense.

For offenses occurring after December 12, 1987:

No **INTEREST** will accrue on fines under \$2,500.00.

**INTEREST** will accrue according to the Federal Civil Post-Judgment Interest Rate in effect at the time of sentencing. This rate changes monthly. Interest accrues from the first business day following the two week period after the date a fine is imposed.

**PENALTIES** of:

10% of fine balance if payment more than 30 days late.

15% of fine balance if payment more than 90 days late.

2. Recordation of a **LIEN** shall have the same force and effect as a tax lien.
3. Continuous **GARNISHMENT** may apply until your fine is paid.

18 U.S.C. §§ 3612, 3613

If you **WILLFULLY** refuse to pay your fine, you shall be subject to an **ADDITIONAL FINE** of not more than the greater of \$10,000 or twice the unpaid balance of the fine; or **IMPRISONMENT** for not more than 1 year or both. 18 U.S.C. § 3615

#### RESTITUTION

If you are convicted of an offense under Title 18, U.S.C., or under certain air piracy offenses, you may also be ordered to make restitution to any victim of the offense, in addition to, or in lieu of any other penalty authorized by law. 18 U.S.C. § 3663

#### APPEAL

If you appeal your conviction and the sentence to pay your fine is stayed pending appeal, the court shall require:

1. That you deposit the entire fine amount (or the amount due under an installment schedule during the time of your appeal) in an escrow account with the U.S. District Court Clerk, or
2. Give bond for payment thereof.

18 U.S.C. § 3572(g)

#### PAYMENTS

If you are ordered to make payments to the U.S. District Court Clerk's Office, certified checks or money orders should be made payable to the Clerk, U.S. District Court and delivered to the appropriate division office listed below:

LOUISVILLE:	Clerk, U.S. District Court 106 Gene Snyder U.S. Courthouse 601 West Broadway Louisville, KY 40202 502/625-3500
BOWLING GREEN:	Clerk, U.S. District Court 120 Federal Building 241 East Main Street Bowling Green, KY 42101 270/393-2500
OWENSBORO:	Clerk, U.S. District Court 126 Federal Building 423 Frederica Owensboro, KY 42301 270/689-4400
PADUCAH:	Clerk, U.S. District Court 127 Federal Building 501 Broadway Paducah, KY 42001 270/415-6400

If the court finds that you have the present ability to pay, an order may direct imprisonment until payment is made.